BOSTON UNIVERSITY

GRADUATE SCHOOL

Thesis

THE LABOR MOVEMENT IN AUSTRALIA

by

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(A.B., Providence, 1928)

submitted in partial fulfilment of the

requirements for the degree of

MASTER OF ARTS

1931

Ser.

p 6911

THE AUSTRALIAN LABOR MOVEMENT

The story of Australia before the gold rush is little known, and it has been customary to omit all mention of the labor movement during the period from 1788 to 1850. Recent research has shown that labor and labor problems are not new things to Australian life. As far back as the early convict days there were labor problems. The demand for labor in the young settlement was so great that "the working day of the convict had to be divided into unpaid time on public works, which was regarded as part of his sentence, and paid time worked for settlers, which was regarded as the convicts own, and for which he kept the reward. And although the early governors fixed piece work prices for such outside work, the scarcity of labor drove actual payments for it far above the scheduled price, and the governors were obliged to accept and recognize this."(1)

Many of the convicts were ordinary criminals but some were transported for political offences. Among the latter were "trade union leaders convicted under the old statutes against conspiracy, notably the Dorchester laborers, transported for organizing the

(1) Atkinson: Page 145

agricultural workers of England."[1] Thus from the very beginning a stream of radicalism was infused into the life of Australia. It became the refuge in the early 'fifties for the political thinkers of Europe. Many a liberal citizen left his old fatherland of reaction for the newer and more liberal country of Australia. It is not hard to understand why unionism, industrial struggles and political action on the part of the working classes got such an early start in Australia.

Thus we cannot deny that a labor movement in some sense existed before the discovery of gold. Although it is an arguable point as to the effect it may have had on the subsequent Australian labor movement, it cannot be denied that it showed a tendency towards working class reform.

Prior to the discovery of gold practically all of the occupied portions of the Australian continent were given over to pastoral purposes. Indeed, there appeared but little possibility of any extensive development of manufactures in Australia with its concurrent industrial unionism development. These large estates and land monoplies were a source of much discontent.

(1) Clark: Page 17

Relatively to the occupied area, a very large proportion of Australia is suitable only for grazing. The national market for the country is Europe, but the great distance and high freight costs made it necessary that only products of large value in proportion to their bulk and weight be marketed. The settlers, therefore, resorted to the raising of wool. Sheep farms of incredible acreage spread over the country.(1) Even today a sheep ranch or station, as they are called, of 100,000 fenced acres is not uncommon. The owners of these stations, called "squatters", a name denoting wealth and influence as well as the occupation of a pastoralist, became a landed aristocracy.

Samuel McCaughey may be used as a typical example of one of these squatters. McCaughey "came to Australia practically penniless in 1856, when sheep raising was on the decline because of the gold fever, picked up blocks of land and bought flocks of sheep until he finally had one million head, owned a million acres outright, and leased a million or so besides. At one shearing he clipped a million and a quarter pounds of wool."(2)

This monopolization of the arable land adja-

(1) Bean gives a fine account of sheep farming in Australia.
(2) Carpenter: Page 38

cent to transportation by pastoralists reduced to a minimum its power to absorb population. This favored the growth of cities. The immigrant could not become an independent power because the arable land was held by this manorial class of squatters, so he stayed in the cities where he landed. In other words he was dumped into a labor market already congested to find employment as best he could.

When the magnetic cry of "Gold!" was flashed around the world the stampede was on. Of the thousands that flowed into Australia so freely many were men bent on making a quick fortune and leaving the country. They did not think of acquiring estates when the fever of gold was in their blood. In California the gold rush caused a subdivision of the land, but in Australia it strengthened the pastoralists in their property rights and political influence.

Many of these gold seekers came from European countries at a time when those nations were feeling the growing pains of democracy. They infused a democratic opinion just at the time a self-government movement was commencing in Australia. Many of these men disappointed in their quest for gold reverted to their former trades in search of employment. The surplus of

labor accumulated in a few of the large towns. Their proximity intensified the impulse of industrial enterprise and the organization of workers.

"The building trades were the first to feel the impetus towards Trade Union organization. The sudden increase in population in Melbourne sent house rates soaring and the incessant demand for accommodation made for substantial increases in wages."(1) In the 'fifties wage questions were not as prominent for the reason that the gold discoveries resulted in the immediate and rapid rise in rates of wages, while the practical tests by which workers measured their welfare were the standards of living and working in Europe.

The main objective of the early unions was the forty-eight-hour week and the efforts directed by the unions towards an eight-hour day were successful at an early date. By 1871 the brickmakers, stonemasons, carpenters, in fact all the building trades in New South Wales, had obtained the eight-hour day. In Melbourne there is a shaft of stone that represents the spirit of the workers. It is a monument having three huge figure 8's at the top which mean "eight hours' work, eight hours' play, and eight hours' rest."(2) This is the

(1) Atkinson: Page 153
(2) Carpenter: Page 105

key to the story of the hours of labor today.

The 'sixties and 'seventies may be regarded as the transition period in the industrial development of the country. The gold fever had abated and the country was settling down to more prosaic pursuits and a more stable growth. Steady progress was made in industrial activity and as the industries grew so did the trade unions. During the period mentioned the rates of wages declined--the inevitable reaction. Naturally the unions resisted this as strongly as they could, but their resistance was not effective owing to the large number of men who drifted into the cities from the gold diggings.

The decline in wages extended to the mining camps where the miners were no longer small prospectors but wage earners in an industry. These miners organized themselves for their own interests and became a source of union strength. It is in these mining camps that the "White Australia" policy was conceived. The mining camps had a comparatively large number of Chinese coolies who were lured to the country by the magic of gold, and who would work for less than the white miners. The miners began agitating against Chinese immigration. Forcible attempts on the part of the miners to eject the coolies from the diggings had to be suppressed by the government.

Later on, the importation of black labor, particularly Kanakas,[1] to work the Queensland plantations excited popular indignation. Australian indignation was so great that the English government was forced to restrict the carrying of natives in English ships.

This agitation was, as I have said, the beginning of the "White Australia". In general terms this policy "seeks to prevent the free influx into Australia of laborers and artisans belonging to races whose traditions, and whose political, social and religious ideals differ so much from ours, that it would be very difficult in any reasonable time to assimulate them, and if they came in masses, impossible."[2]

The spread of this anti-Asiatic feeling is one of the first indications of a national self-consciousness in Australia. In this sense the "White Australia" policy and the Monroe Doctrine are comparable.

From 1872 on the expansion of trade and industry was greater than in any other previous period. Manufacturing, mining, agricultural and pastoral industries flourished and prospered. On the flood tide of prosperity trade unions developed and became established

(1) Coughlan: Vol. II, Pages 1088-1094
(2) Atkinson: Page 444

on a firm basis. The chief centers of these unions were the cities where the organizations were composed of seamen, dock-hands, artisans, and factory workers. The coal and gold fields were fairly well organized, and in the next few years the shearers and other pastoral workers were gathered into the fold.

The growing sense of solidarity among the unionists and the realization of their community of interests led to the formation of central trade union delegations. In 1879 a conference of trade unions was held in Sydney. This was the first real intercolonial conference. It was a national meeting of delegates from workmen's organizations meeting to discuss workmen's problems. There were thirty-nine delegates representing twenty-four unions having a total membership of 11,887.(1) They discussed such questions as factory regulation and the inspection of boilers. Resolutions were passed opposing Chinese immigration, and favoring the eight-hour day, the legalization of trade unions, and technical education. In 1888 at a trade union Congress in Brisbane it was decided that trade unions should formulate a political program, and that any candidate who did not adhere to that platform should not

(1) Official Yearbook of Australia (1916) Page 938

receive the support of union members. This was the first indication that labor might enter the political field at some future time.

As we have traced the history of the labor movement thus far it might appear to parallel the history of the conservative trade union of England. But in 1890 there came a crisis. The Maritime Strike of that year had a tremendous effect on the future of the labor movement in Australia.

The discharge of a fireman on the steamship Corinna was the immediate cause of the strike. This was not the sole cause of the conflagration that ensued, however, for other disputes were rankling in the hearts of the unionists. The strike spread from the Marine Officers' Union to the Wharf Laborers' Union, and to all those unions in any way (with the exception of the railroad unions) connected with the export of wool. The Marine Officers' Union struck on August 15, 1890, and the Wharf Laborers' Union struck four days later. On September 15, 1890 the dray and trolley men of Sydney joined the strike. The Labor Defense Committee called out the coal miners on September 17th, and the shearers on September 24th; for, as the committee said, "the time has come when a supreme struggle must be fought in defense of the principles of trade

unionism."[1]

It was a struggle between capital and labor and in the beginning public opinion favored the strikers. It became obvious that unless non-unionists could be prevented from working, the cause of unionism would win. Unfortunately for the unionists there was no shortage of labor as a result of the strike, and employers could easily find workers. The strikers resorted to picketing and other means of preventing the strike-breakers from entering the place of employment. Riots broke out, public opinion changed, and the government called out troops to quell the strikers.

Government intervention broke the strike, and the cause of unionism was lost. This defeat of 1890 brought home to the unionists the tremendous advantage held by any party to an industrial dispute which could command the aid of the government. The trade unions now realized that they must have direct representation in the government. By direct representation they meant an artisan to represent an artisan, and a miner to represent a miner.

At first the direction of the movement was toward an amalgamated Trade Union organization which

(1) Coughlan: Vol. III Page 1594

would press parties in the various State Parliaments for reform, as opportunity offered. Then, gradually, it was brought home to the Unionists that no existing political party could or would successfully promote the ideal of Labor in Parliament. Only gradually did it become clear that political strategy demanded for the realization of their ideals, the creation of an independent Labor unit in Parliament.

To William Lane is due much of the credit for the crystallization of the idea of a Labor Party.(1) Lane was a remarkable character. He was a socialist and a follower of Marx. He had a ready pen, some literary sense, and an enthusiasm for reform. He saw the Australian Trade Unionism as a conservative movement, steeped in the English tradition, organized on the English movement, practical, sane, and not at all revolutionary, holding the strike threat as a last resort and prone to give first consideration to the demands of the skilled artisans, the so-called aristocracy of Labor. Lane wanted an organization which would unite skilled and unskilled workers into a militant political body.

The columns of his Labor paper, "The Worker", which he founded in Brisbane in 1890, carried his views.

(1) A fine account of Lane's social experiment in Paraguay is given in Stewart Grahame's book.

This paper was run on the lines of ownership and control with a regular subsidy, contributed by the Trade Unions and collected by them from their members as part of the regular Union dues. Thus the paper was independent of advertisements and had a guaranteed circulation. The inevitable question of closer organization and federation of Trade Unions was discussed in "The Worker". Lane urged that the quarter of a million Unionists co-operate and move as one man for the common Labor cause.

Under the influence of Lane's fervid pen the Australian Labor Federation was founded in Brisbane in 1889. This Federation was strongly socialistic. It demanded the nationalization of all sources of wealth and means of production, the apportionment by the State of produced wealth among all citizens, State pensions for children, aged persons and invalids. There was also the added demand that no candidate who did not adhere to the Labor program should receive the support of the Labor Party.

In the meantime several States had candidates for Parliament supported by the Trade Unionists. We must not think of the Australian Labor Party as having sprung, Minervan and fully armed, from the brain of Trade Unionism in the early 'nineties. As early as

1874 a working carpenter had been returned in New South Wales. In 1880 an engineer had been returned by the Trade Unionists of Balmain who guaranteed him s salary. In South Australia in 1887, the United Trades and Labor Council secured the return of no less than seven out of nine candidates for the Legislative Assembly. Thus we may see that by 1890 Labor in Australia was familiar with the idea of having its own members in Parliament, through the actual election of workingmen as workingmen's candidates in the different States.

During the strike of 1890 advice had been freely tended to Labor from the press, pulpit, and platform that Labor should right its grievances by constitutional methods, and that they should begin to use political weapons, since the industrial ones had been so expensive and unsuccessful. Labor as we have seen was not unprepared for this advice, but the celerity with which it was adopted, and the results which it achieved, surprised many people.

New South Wales was the first colony in which the Unionists sought redress through the ballot box. A Labor Electoral League was formed in 1891. In the platform electoral reform, by extending the franchise on residential qualifications and abolishing plural

voting, was advocated. An anti-Chinese measure, and a demand for taxation of land values produced by settlement were among the planks of the platform. The machinery of the League was formed by the establishment of local branches in electorates, who selected their own parliamentary candidates, subject to the endorsement of a central council, and the extraction of a pledge from each candidate to resign when called upon by two-thirds of his supporters. Out of the forty-five Labor candidates, thirty-six were returned. The Labor Party dominated the Parliament and they supported the party which promised them most.

Labor's experience in its first Parliament emphasized two things: The first was that it was impossible to obtain reform through the Legislature until the nominee Upper House had been democratized. The second matter was the importance of solidarity. The decision to achieve party solidarity made some additional political machinery necessary. From this came the famous pledge tactic which has become a normal feature of Australian political life. It is therefore worthy of study.

In November, 1893, the Labor Electoral Leagues canvassed the question of the achievement of political solidarity and had passed a resolution to the effect

that future Labor candidates must pledge themselves to vote as the majority of the party might decide in caucus on questions affecting the Labor platform, the fate of the Ministry, and other similar questions.

After much opposition from within and without the Labor Party, the pledge was accepted in 1895. The candidate before running for office signs this pledge:

"I hereby pledge myself not to oppose any candidate selected by the recognized political Labor organization, and if elected, to do my utmost to carry out the principles embodied in the Labor Platform, and on all questions affecting the Platform to vote as a majority of the Parliamentary Party may decide at a duly constituted caucus meeting."(1)

The principle which emerged from the controversy, and which has been adopted by the political Labor parties of Australia ever since then, is that a candidate's allegiance is primarily to his party rather than to his electorate.

In Western Australia the Labor Party rose to power very rapidly. It entered Parliament in 1901 and captured the Treasury benches in 1904, fourteen years after the establishment of self-government in Western

(1) Century Magazine: November 1905

Australia. In South Australia Labor in coalition with a Liberal group was in power in 1905. On the whole, the Labor movement appeared to be stronger in the mining and grazing States like New South Wales, Queensland, and Western Australia, than in the agricultural States of Victoria and Tasmania.

But it is in the Federal sphere that the fortunes of the Labor Party have attracted the most attention. The general question of Federation had never been made a burning one by Labor leaders, and it was generally assumed that Labor would not secure such a controlling interest as Labor had acquired in the States.

During the latter part of the last century the idea of uniting the Australian States into one Federation had gained ground. The motives for an Australian Federation were: (1) To remove the tariff barriers on interstate trade. (2) To organize an efficient defence system. (3) To create a single organ for expressing Australian sentiment on Imperial affairs. The first of these motives was the determining issue for the average voter.(1)

The vote for Federation was made possible by the consent of the existing State Parliaments which

(1) Quarterly Review: October 1911

would not surrender an iota of their independence if they could help it. Hence the Federal Constitution submitted to the popular vote was a compromise between what the creators wanted and what the State Parliaments would concede. Thus interstate free trade, unification of defenses, and a single mouthpiece for the expression of Australian sentiment were conceded by the States. But those matters which really affected Australians in their daily life--the problems connected with land and industry--were retained under the control of the State Parliaments.

This fact was important because of the distinction between the Federal Parliament and the State Parliaments. Members were elected to State Parliaments (in particular Victoria, Tasmania, South and West Australia) on the basis of property qualification. On the other hand, candidates to the Federal Parliament were elected by universal adult suffrage. Thus a man could vote for a Federal candidate but would have no say in State elections and consequently would be powerless in those matters that most interested him--commerce and industry. Hence the history of Federal legislation is largely that of a series of attempts to deal with commerce and industries which, by the terms of the constitution, were outside the jurisdiction of the

Commonwealth.

Contrary to the general opinion, the Labor Party, from the very commencement of the Commonwealth of Australia, took a prominent part in its political affairs. From the inception of the Federal Parliament the Labor Party has steadily pressed its own social reforms, and from session to session it has won increasing success.

On the first day of January, 1901, the Commonwealth of Australia was ushered in with demonstrations of widespread enthusiasm. The pomp of military and civil display, the blare of trumpets, the roar of artillery, the fluttering of flags, the brilliancy of illuminations in the cities, with the glare of bonfires on a hundred hills throughout the country expressed the joy felt by the people at the consummation of their wishes. The amalgamation of the interests of the six Colonies having conflicting and even retaliatory laws into one united people with common interests and aspirations was an accomplished fact.

Never before had the population of a continent, socially homogeneous, comparatively unfettered by traditions and vested interests, practically undisturbed by the rest of the world been intrusted with the administration of its own affairs on a purely democratic basis.

There were three parties in the first Federal Parliament. The Government Party led by Mr. Barton was the Protectionist Party. The Opposition led by Mr Reid was the Free Trade Party, and the Labor Party led by Mr. Watson. The Labor Party held twenty-four seats in both Houses. It was by far the weakest Party numerically, yet neither of the other parties could command a majority. Consequently the Party in power had to cater to the Labor Party to insure its majority.

The first Prime Minister of the newly created Commonwealth was Mr. Edmund Barton, a man of lofty ideals, touched with conservatism. The Barton Ministry[1] consisted of Mr. William Lyne, Minister of Home Affairs; Mr. R. E. O'Connor, Vice-President of the Executive Council; Sir George Turner, Treasurer; Mr. Alfred Deakin, Attorney-General; Mr. Charles Kingston, Minister of Trade and Customs; J. G. Drake, Postmaster-General.

The Barton Government failed in its attempt to pass an Arbitration Bill and On September 24, 1903, Mr. Barton and Mr. O'Connor resigned. On the following day Mr. Deakin became Prime Minister and filled the two vacancies caused by the resignations of Mr. Barton and Mr. O'Connor with Mr. Austin Chapman and Senator Playford.

(1) Turner: Pages 13-17

On December 16, 1903 a general election took place. The results of the election were a surprise. The Labor Party scored all around. Of the ten new senators seven were pronounced supporters of the Labor platform. In the House of Representatives there were seventeen new members, "of whom seven at least ranged themselves under Mr. Watson's banner."(1) In the House of Representatives Mr. Deakin presided over twenty-six Ministerialists; Mr. Reid led the Opposition with the same number of seats; and the Labor Party had twenty-three seats under the leadership of Mr. Watson. In the Senate there were fifteen Labor members, twelve Opposition members, seven supporters of the Government, and two Independents. With the three parties so closely matched in strength, the session of Parliament was certain to be a stormy one.

The problem of conducting a Parliament which had three practically equal parties taking part in the proceedings was too much for Mr. Deakin. On April 21, 1904 the Labor Party succeeded in passing a bill hostile to the Government. Mr. Deakin resigned and Mr. J. C. Watson was entrusted with the task of forming a Ministry. The Labor Cabinet consisted of Mr. John C. Watson, Prime Minister and Treasurer; Mr. William Morris Hughes,

(1) Turner: Page 70

Minister of External Affairs; Mr. Henry Higgins, Attorney-General; Mr. E. L. Batchelor, Minister of Home Affairs; Mr. Andrew Fisher, Minister for Trade and Customs; Mr. Anderson Dawson, Minister of Defence; and Mr. Hugh Mahon, Postmaster-General.(1)

The Watson Ministry was the first one formed by, and in the interests of, Labor that had ever captured supreme power in parliamentary government under the British flag by legitimate constitutional means. It lasted only four months, yet in its short career the Watson Government showed the world that a Labor Ministry could rule a nation sanely and successfully. Mr. MacDonald's first attempt to run the government of England may be compared to the Watson Administration.

A coalition of Mr. Reid's party with some members of Mr. Deakin's party overthrew the Labor Ministry. On August 18, 1904, Mr. Reid formed his cabinet. His colleagues were:(1)

Mr. Allan McLean, Trade and Customs

Sir Josiah Symon, Attornay-General

Sir George Turner, Treasurer

Mr. Dugold Thomson, Home Affairs

(1) Turner: Page 84

Mr. James McCay, Defence

Mr. Sydney Smith, Postmaster-General

The Reid-Maclean Government as it was called lasted until July 5, 1905, when the Liberals, under the leadership of Mr. Deakin, joined with the Labor Party to sweep Reid out of office. The new Cabinet contained the following:(1)

Mr. Alfred Deakin, Prime Minister and External Affairs

Mr. Israc Isaacs, Attorney-General

Sir William Lyne, Trade and Customs

Sir John Forrest, Treasurer

Mr. Austin Chapman, Postmaster-General

Senator Thomas Playford, Defence

Mr. L. E. Groom, Home Affairs

The second Deakin Ministry succeeded for three and a half years in keeping their seats on the Treasury benches. To keep their seats the Ministry had to retain the support of the Labor Party. On November 6, 1908, Mr. Fisher, as head of the Labor Party, (since Mr. Watson resigned because of ill health) announced the withdrawal of Labor support. Mr. Deakin resigned and Mr. Fisher became Prime Minister.

(1) Turner: Page 101

Other members of the new Cabinet were:[1]

Mr. William Hughes, Attorney-General

Mr. E. L. Batchelor, External Affairs

Mr. Hugh Mahon, Home Affairs

Mr. Josiah Thomas, Postmaster-General

Mr. G. F. Pearce, Defence

Mr. F. G. Tudor, Trade & Customs

Four of these portfolios were held by men who were in the Watson Ministry. It is interesting to note that this Cabinet was elected by the Labor Caucus, of which more will be said later.

The second Labor Ministry was short-lived. Mr. Fisher was able to give an Australian Labor policy that was "admitted to be the boldest and most national Australian policy ever enunciated. Anti-Labor was struck dumb, and failed to find a flaw in it."[2] The Prime Minister never had a chance to test the possibility of his program, but a brief summary of his views may be found useful for comparison with the Labor program of 1910.

Mr. Fisher's program embraced the following headings:--New Tariff Protection and Old Age Pension was a much desired measure of his Government. Defence

(1) Turner: Page 197
(2) Turner: Page 207

was a prominent item. He advocated compulsory military training and proposed an Australian navy. He promised to introduce a Bill providing for the taxation of unimproved land values which was, as he said, "a necessary tax if Australian lands are to be developed as they should be." The object of such a Bill was to break up the large land holdings.

A storm of protest against Labor proposals swept over Australia. The Press cried out for a fusion of parties to remove the Fisher Government from office. Mr. Deakin and Mr. Cook, leader of the Protectionists, joined forces and on May 27, 1909 the Fisher Government was overthrown. Mr. Deakin as leader of the Fusion Government became Prime Minister with Mr. Cook as Minister of Defence.

Other members of the Fusion Cabinet were:

Sir John Best, Minister of Trades and Customs

Sir John Forrest, Treasurer

Mr. L. E. Groom, Minister of External Affairs

Mr. P. Glynn, Attorney-General

Sir John Quick, Postmaster-General

Mr. G. W. Fuller, Minister of Home Affairs

The first three months of 1910 were the time of an outburst of political activity. April 13th of that year was to be the polling day of the general elec-

tion. It was a clear-cut contest between the Government, variously called Liberal, Reactionary, or Conservative according to the point of view, and the Labor Party.

The Labor Party worked for years in enforcing party discipline and ensuring party solidarity. Their periodical Labor Congresses, their frequent conferences in Caucus, and their unity of mind, were all factors in avoiding dissension in the ranks. The organization of the Labor Party gave them the right to expect success. Further, the numerical strength lay with the workers who were indignant at what they believed to be the unfair treatment accorded to the short-lived Labor Ministries of Mr. Watson and Mr. Fisher. They desired to reconstruct the social system and to inaugurate a Socialist millenium.

The result of the elections was a Labor victory. Labor won forty-two of the seventy-five seats in the House of Representatives, and twenty-three of the thirty-six Senators were Labor supporters. When the returns were given out Mr. Deakin resigned and Mr. Fisher became Prime Minister. The third Labor Ministry was composed of:

Mr. Andrew Fisher, Prime Minister and Treasurer

Mr. W. M. Hughes, Attorney-General

Mr. E. L. Batchelor, External Affairs

Mr. Josiah Thomas, Postmaster-General

Mr. F. G. Tudor, Trade and Customs

Mr. King O'Malley, Home Affairs

Senator G. F. Pearce, Defence

On July 1, 1909 the fourth Federal Parliament was called to order with the third Labor Ministry in office. The speech of the Governor-General is worthy of notice.(1) Provisions were made for old age pensions and invalid pensions. A progressive tax on value of unimproved land was to be introduced. Proposals for the amendment of the Constitution for the purpose of enabling the Federal Parliament to legislate effectively with regard to corporations, commercial trusts, combinations, and monopolies in relation to trade manufacturers, or production, industrial matters, and navigation were to be considered and decided by Parliament.

In 1910 the country was prosperous, and the Labor Party was full of new ideas that appealed to the people and expressed the Australian spirit. It was a young party imbued with the verve and ideals of youth. Under Labor guidance the Parliament of 1910 to 1913 settled schemes of naval and military defence and made adjustments of Federal with State finance. It passed a long delayed Navigation Act and an Australian Notes

(1) Turner: Page 266-268

issue. This Parliament began the building of the trans-continental railway and the Federal capitol at Canberra. It took over the Northern Territory, created the Interstate Commission, imposed a land tax designed to break up the great land holdings and to encourage closer settlement, and did its best to enlarge and strengthen Federal control over industrial affairs.

The General Election was held on May 13, 1913 and was based on the question of altering the Constitution so as to extend the powers of the Commonwealth. The Labor Party wished to so amend the Constitution that the Commonwealth Court of Arbitration would be the supreme judge of industrial disputes and could go over the heads of State Courts of Arbitration. The States were jealous of their rights and as a result the Labor Party was defeated.

Mr. Fisher resigned and Mr. Cook, the successor of Mr. Deakin who had resigned as head of the Liberal Party in 1912, became Prime Minister. The Cook Administration contained the following Ministers:

Mr. Joseph Cook, Prime Minister and Minister of Home Affairs

Sir John Forrest, Treasurer

Mr. William Irvine, Attorney-General

Mr. Edward Millen, Minister for Defence

Mr. Patrick Glynn, Minister for External Affairs

Mr. Littleton Groom, Minister for Trade and Customs

Mr. Agar Wynne, Postmaster-General

The fifth Parliament which was opened on July 9, 1913 with the Cook Government holding the Treasury benches was dissolved on June 27, 1914 in somewhat unusual circumstances. Under Section 27 of the Constitution it was provided that, should the Senate fail to pass, or pass with amendments, any proposed law previously passed by the House of Representatives, and should the latter House, after a specified interval, again pass the proposed law, with or without the amendments of the Senate; and the Senate for a second time reject it or pass it with amendments to which the lower House will not agree, then the Governor-General may dissolve the two Houses simultaneously. Such a deadlock took place over the question of arbitration. The Cook Government held thirty-eight seats, and the Labor Party controlled thirty-seven seats. Consequently the Labor Party could tie up the Ministry. The Government Party was deadlocked, and in accordance with the provisions of the Constitution, the Governor-General dissolved both Houses.

In the subsequent elections the Cook Government was defeated by the Labor Party, and Mr. Fisher for the third time became Prime Minister. The Cabinet

officers were:

Mr. Andrew Fisher, Prime Minister and Treasurer

Mr. William Hughes, Attorney-General

Mr. George Foster, Minister for Defense

Mr. Frank Tudor, Minister for Trade and Customs

Mr. Hugh Mahon, Minister for External Affairs (1)

Mr. William Archbald, Minister for Home Affairs

Mr. William Spence, Postmaster-General

The third Fisher Administration lasted from September 17, 1914 to October 27, 1915. The reason for its short existence was a split in the Party over the question as to who would dictate their policies, the Ministry or the Caucus.

The Caucus is a group of Laborites elected by the party to act as a sort of board of directors for the party.(2) It meets weekly during parliamentary sessions and discusses problems that may be debated. It elects the Ministry when Labor comes into power and exercises a close supervision over their administration and the details of their bills. In theory, the Labor Ministry is responsible to the Caucus.

(1) Mr. John Arthur was the original Minister for External Affairs, but he died in December, 1914 and was succeeded by Mr. Mahon.

(2) Quarterly Review: October, 1911

Labor candidates sign the Labor pledge, which is quoted above. He promises to "carry out the principles embodied in the Federal Labor Platform." Some of the Ministers felt that in matters not embodied in the platform they were free to do as they saw fit and not as the Caucus prescribed. The result was a split in the ranks of Labor. Under the leadership of Mr. Hughes a large section of the Party denounced the Caucus. The Fisher Government was discredited, and in October Mr. Hughes assumed the office of Prime Minister.

The first Hughes Administration had the following men in the Cabinet:

Mr. William Hughes, Prime Minister and Attorney-General
Mr. George Pearce, Minister of Defence
Mr. Frank Tudor, Minister of Trade and Customs
Mr. William Higgs, Treasurer
Mr. King O'Malley, Minister for Home Affairs
Mr. Hugh Mahon, Minister for External Affairs
Mr. William Webster, Postmaster-General

The victory of Mr. Hughes is not to be construed as relegating the Caucus to the ash heap. It has much to be said in its favor. As long as Parliaments are run on the party system there must be party discipline, and the Caucus is the Labor method of

attaining party discipline. The Caucus and the party pledge may sap the individuality and independence of party members, yet they make for loyalty, united action, and therefore success. The Caucus consolidates the Party and gives the young recruit a political education that could be supplied in no other way. Furthermore, the Caucus members represent the popular choice of the party; so the majority of the electors dictate the general policy of the country; and in turn the majority of the elected members of the Caucus should dictate the general lines of the plan by which that policy is to be carried out.

The Labor organization is definitely a machine to which the individual is subordinated. The Labor pledge, the management of the platform, the various conferences at which the chief political issues are fought out and decided, and the Parliamentary Caucus at which the Party decided the way in which the votes of all its members are to be cast. There is no evidence that this political machine is breaking down.

Mr. Hughes as head of the Government Party remained Prime Minister until February 17, 1917.(1)

(1) These changes in the Cabinet must be recorded. From November 14, 1916 to the end of the Hughes Administration Alexander Poynton was Treasurer. William Archibald Minister for Trade and Customs, and Frederick Bamford was Minister for Home Affairs.

It is not in my province to relate the part played by Australia in the World War. The heroism and bravery of her soldiers speak for themselves. Her pride in her splendid army has been justified. Her sense of nationhood has been greatly intensified by the glorious achievements of the Anzacs in Gallipoli, Palestine, France, and many a more obscure field. In common with all other countries, Australia experienced a considerable change in outlook during the war.

The most profound changes in outlook during the war must be dated from the referenda on Conscription in 1916 and 1917. On both occasions the people rejected Conscription for overseas service by a large majority. Even the Anzacs themselves voted against it. Thus the Australian army was the only volunteer force remaining at the end of the war. This was due to the native repugnance of Australians to compulsory military service beyond the Commonwealth. That it was not due to general disloyalty or war weariness is shown by the crushing defeat of Labor in the Federal Elections held in May, 1917, a few months after the first conscription referendum, when the newly-formed coalition of Liberals and conscriptionist Laborites, led by Mr. William Hughes, gained a considerable majority. Labor fared similarly in all subsequent State elections, except in Queensland.

These events showed that the vast majority of the Australian people remained the loyal, moderate Radicals that they were before the war.

Within the Labor Party itself great changes were taking place. The split caused when the Official Labor Party expelled Mr. Hughes and his followers has remained permanent. The changed temper and outlook of the Australian Labor Party will best be shown by a brief recital of Labor history during the war.

The war greatly strengthened all the influences making for industrial unrest and the advocacy of violent and descriptive measures. Many historical instances can be quoted to show that a period of prosperity and power is more likely to be a period of unrest than a time of sordid misery and destitution. The men most likely to rebel are those who find themselves arrested in their progress towards a higher standard. Such was the position of the Australian worker during the war. Add to this the facts that popular education has raised the working class to at least a constantly progressing standard of knowledge, that industrial organization and the acquisition of political power have given them possession of paramount authority, and go far to account for the industrial unrest. The Australian workers have passed

beyond the stage at which they revolt against economic pressure almost without consciousness of its meaning, but simply from a vague understanding that the time has come to strike out for an improvement. Now they act from policy, with a deliberate and self-conscious endeavor, not merely to maintain the existing standard of life, but to elevate it by an indefinite number of increments to wages.

The conflict and overlapping of Commonwealth and State awards has been the cause of a great deal of unrest. The ill-defined spheres of the two jurisdictions made inevitable a great number of inequalities in the awards. Such conditions inevitably encourage strikes. Again, the invasion of Trade Union privileges and the menace to working-class solidarity account for some dissatisfaction among the ranks of Labor. Furthermore, the political success of the Labor Party has increased the assertiveness of the industrial classes. They are more apt to demand concessions and improvements when their own representatives are in power.

The first great industrial upheaval that can be attributed to the changed temper of Australian Labor was the great strike of railway men in Sydney in August, 1917.(1) The strike began with the Amalgamated Society

(1) Round Table: March, 1918

of Engineers and other ironworkers in the Government tramway and railway workshops in Sydney. It was the introduction by the Railway Commissions of a card system of recording processes of work with a view of reducing them to terms of cost that was the immediate cause of the strike. Negotiations were brought to an abrupt end by a twenty-four hours' "ultimatum" from the workers. A few days later the majority of the men in the railway and tramway departments came out, and during the next fortnight one union after another declared a sympathy strike, until most of the important industries were practically at a standstill.

Railway men, wharf laborers, coalminers, seamen and firemen, gas workers, slaughtermen and butchers, and many minor unions ceased work entirely. Practically all other unions refused to handle goods declared "black".(1) Daily processions of the strikers through the city were evidence of the disturbed conditions. The stoppage of industries with an interstate sphere of action, together with existing unrest throughout the Commonwealth and the extension of the "black" doctrine, caused the strike to spread to all States. The Federal authorities left the State Governments un-

(1) Commodities declared "black" must not be handled by union labor.

fettered to grapple with the situation.

The Government of New South Wales proved unyielding in dealing with the strike during the ten weeks of its duration. The men demanded the withdrawal of the card system before resumption of work, and an immediate inquiry into all their grievances. The Government insisted upon an immediate return to work, promising that after three months an inquiry into the working of the card system would be made, and that if the report was unfavorable it would be abandoned. This being rejected, they treated the strike as an organized rebellion, both in its defiance of constitutional authority and its callous neglect of the pressing needs of war-time.

A Volunteer Service Bureau was set up in Sydney. The volunteers, mostly down from the country districts, with the aid of the remnants of the employees, miantained a limited and gradually inproving railway and tramway system. Other industries were provided for in a more or less degree. Even a limited amount of coal was furnished by the efforts of amateur coalminers. This prompt and determined action, supported by public feeling and the increasing distress among the families of the workers, forced the Unions Defence Committee to accept the terms of the Government.

The Government and the general public believed that the Labor leaders used the grievance against the card system as an excuse for a general upheaval. The workers themselves were suspicious of the card system due to exaggerated reports of its affect in America. The defeat of Labor in the political arena that year irritated the workers. They believed that they could wipe out their political defeat by industrial action through a strike. Psychologically, then, some of the workers were spoiling for a fight. The spread of the strike was due more to the industrial and political solidarity of the rank and file than to energetic leadership.

There were many factors that were unfavorable to the strike. The volume of employment tended to shrink. Owing to the lack of shipping large stocks of wool, wheat, and meat had accumulated. The increased cost and scarcity of materials were affecting every industry. The financial position of the unions was very weak. This was due to unemployment, loss of members who were with the army, and expenditure on the anti-Conscription campaign. The time of year was favorable for drawing workers from the country. From this we may conclude that the workers were ready for a strike, but no plan of organization had been prepared. All

trusted to solidarity, and for the rest the strike was allowed to progress by its own momentum.

The increase of strikes in essential industries had a serious effect on Australia's share in the conduct of the war. It is regrettable that allegations of disloyalty and susceptibility to German bribery were brought against the strikers without evidence or qualification. Enemy agents could, of course, do effective propaganda without the workers being conscious of their presence. No doubt a small percentage of the strikers were disloyal. But it is just as certain that the vast majority of the strikers, though careless and wanting in a sense of responsibility regarding the war, were quite innocent of any disloyalty.

At the Commonwealth elections in 1917 the combination of Liberals and Labor men following Mr. Hughes were successful. They adopted the term "Nationalists" for their designation, and came to be known as the "Win--the--War Party". The assumption of this title was in itself a source of irritation for it implied that the Labor Party did not want to win the war. The claims of the Nationalists to a monopoly of loyalty tended to give the professions of loyalty some party color and to provoke counter professions. This tendency was aggravated by the strike. The volunteers

were called "loyalists", while the strikers were referred to as "rebels" and "disloyalists".

The Australian National War Government now held the Treasury benches. The ministry was composed of:

Mr. William Hughes, Prime Minister and Attorney-General

Joseph Cook, Minister for the Navy

Sir John Forrest, Treasurer

George Pearce, Minister for Defence

Patrick Glynn, Minister for Home and Territories

Jens Jensen, Minister for Trade and Customs

William Webster, Postmaster-General

On May 5, 1917 the Federal Elections were held and the Nationalists returned fifty-three of their members to the House of Representatives. Labor captured only twenty-two seats. In the Senate Mr. Hughes' party held twenty-four of the thirty-six seats. The second National War Government was entrenched more firmly, but it was faced by powerful and energetic oppositions from the Labor Party.

Mr. Hughes in his declaration of policy speech made to the House said that the new Cabinet had been formed specifically to prosecute the war and that every-

thing would be subordinate to this.[1] Despite his optimism a second referendum on Conscription submitted to the people was defeated by a considerable vote.

An interesting manifesto on war-time was issued by the Labor Party.[2] The manifesto declared that the war was the result of the capitalistic organization of society. The Party asked for the immediate calling of a peace conference, the negotiations to begin on the basis of the evacuation of occupied territories, and the acceptance of the principle of self-determination of peoples. The party also advocated: (1) international arbitration; (2) abolition of secret diplomacy; (3) abolition of trade in and the private manufacture of munitions of war; (4) simultaneous abolition of conscription in all countries; (5) freedom of the seas.

For the next four years the Nationalist

(1) The new Cabinet contained the following: William Hughes, Prime Minister and Attorney-General; Joseph Cook, Minister for the Navy; William Watt, Treasurer; George Pearce, Minister for Defence; Patrick Glynn, Minister for Home and Territories; Jens Jensen, Minister for Trade and Customs; William Webster, Postmaster-General.

(2) Annual Register (1917) Page 337

Party carried on the affairs of government. All over the continent there was a trend away from the imperialistic doctrine as expounded by the Nationalist Party. In 1919 the Government was faced with a serious strike--the Second Maritime Strike. It began in May and lasted over three months. Like the Maritime Strike of 1890 it brought to a sudden and disastrous standstill the shipping trade of the Commonwealth.

The strike of 1919 was an open repudiation of industrial arbitration in favor of direct action and implied that the political Labor movement had failed to secure the industrial reforms sought by the working class. It split the party on the controversy of direct action or parliamentary legislation. The seamen wanted higher wages to cope with the higher cost of living, and they pointed out the abnormal rise of the rates for seamen in America and Great Britain. As most of the shipping was still under Government control, as in war time, it was with the Shipping Controller that the Union's representatives opened negotiations. The Controller referred the matter to the Commonwealth Arbitration Court. The reply of the men was to give the usual twenty-four hours notice and leave the ships.

Under the constitution of the Union the policy

was to settle disputes by arbitration, but this policy was ignored. It appears that a small group of extremists got control of the machinery of the Union. The secretary of the Union, Mr. T. Walsh, repeatedly urged direct action and repudiated arbitration. He even refused the mediation of the Trades' Disputes Committee, a committee of the Melbourne Trades' and Labor Council. This produced a cleavage between the moderates and the extremists of the Labor Party.

The Government remained firm and after much fruitless bargaining by the seamen of Melbourne and Sydney the strike came to an end on August 26, 1919. The main effect of the strike was a distinct defeat for direct action, and a confirmation of the policy of industrial arbitration for the settlement of disputes.

Since the war a third party has arisen usually called the Country Party. Its aim is to protect rural, as opposed to urban, interests. The policy of this new party includes the lowering of freight rates, the decentralization of urban population, the introduction of a Credit Act granting easy loans to farmers, and the organization of overseas markets for produce. The Country Party, representing the pastoral and agri-

cultural interests, was led by Dr. Earl Page.

During 1922, the chief problems faced by Australians were similar to those in the United Kingdom. On the economic side there was the unwillingness of organized Labor to assent to wage reductions necessitated by the fall in world prices. The difficulty of adjusting wages to falling prices was a very serious problem. The basic wage was seven shillings a day and it was so laid down by the Federal Arbitration Court. To adjust this problem Premier Hughes called an Economic Council including repreentatives of Capital and Labor in Sydney, February 22, 1922. The Trade Unions of Victoria, South Australia, and Queensland refused to send delegates. The Economic Conference failed to reach an agreement, for the employers refused to discuss the basic claims of the Trade Union leaders who were present, on the ground that the "socialization of industry with workers' control meant Bolshevism."(1)

In politics there was the effort to oust the "Win-the-War" Government which finally made necessary a General Election on December 10, 1922. Mr. Hughes was faced with strong opposition. The Labor Party

(1) Annual Register (1922) Page 304

led by Mr. Charlton was his strongest rival. The second element in the opposition was the Country Party representing the pastoral and agricultural interests and led by Dr. Page. Still another element was a group of Liberals, who, dissatisfied with Mr. Hughes leadership, saw an alternative anti-Labor Prime Minister in Mr. Watt. The practical issue of the General Election was whether Mr. Hughes should continue as Prime Minister.

After the election the state of the parties in the House of Representatives was Nationalists twenty-seven, Labor twenty-nine, Country Party fourteen. Four Liberals were elected and one independent candidate. At the end of the year Mr. Hughes still held office, but he had to decide whether he would force the Country Party into an alliance with Labor, or retire and allow Mr. Stanley Bruce to lead a coalition of Nationalists and Mr. Page's Country Party. Mr. Hughes' position was so weakened that he consented to open negotiations with the Country Party with a view to an alliance that would ensure a stable government. His retirement was an essential preliminary to a coalition and in February, after holding ministerial office fortwelve years, Mr. Hughes resigned on condition that Mr. Stanley Bruce

be accepted by Dr. Page's Country Party as Prime Minister.

On February 28, 1923 the first session of the Ninth Federal Parliament opened with the Bruce-Page Government occupying the Treasury benches. The Cabinet was composed of the following members:

Mr. Stanley Bruce, Prime Minister and Minister for External Affairs

Dr. Earl Page, Treasurer

Mr. George Pearce, Minister for Home and Territories

Mr. Littleton Groom, Attorney-General

Mr. William Gibson, Postmaster-General

Mr. Austin Chapman, Minister for Trade and Customs

Mr. Eric Bowden, Minister for Defence

The policy of the new Ministry was announced by Mr. Bruce in a speech at Sydney. Mr. Bruce stated that the new Ministry would act as a national Government in the widest sense of the term. Speaking at Perth on May 3, 1923, Mr. Bruce proposed: (1) the surrender by the Commonwealth to the States of all direct taxation; (2) the elimination of all duplication of effort as between Commonwealth and States; (3) the abolition of the Federal Electoral office; (4) the reduction of customs duties on agricultural and farming

implements.[1] He also suggested that a tribunal should be set up with a view to avoiding the clash of jurisdiction between Commonwealth and State industrial courts. The new Government also had the hope of forming a policy which would ensure a market for Empire products within the Empire. The formation of a National Debt Sinking Fund and the placing of the Commonwealth National Bank in the hands of a non-political board were other features of the new program.

Throughout the year of 1925 labor troubles were constant in the shipping industry. A series of strikes took place as a protest against the maintenance of the Shipping Labor Bureau at Sydney. This Bureau had been formed by "loyalist" workers during the strike of 1917 and it included many returned soldiers. It was abolished on February 28th--a victory for unionism. But trouble broke out over the question of "job control". "Job control" was the unionist method of telling employers how many men could be employed on particular jobs on particular ships. The shipmasters regarded this action as

(1) Annual Register (1923) Page 316

equivalent to dictation regarding the management of their vessels. This strike lasted from June 30th to August 6th when the unions, having lost popular support, abolished "job control" in accordance with the owners demands.

The shipping strikes were the indirect cause of the Federal General Election held in November, 1925. On the eve of this election the Bruce-Page Coalition held forty-six seats in the House of Representatives against thirty-nine seats held by Labor. Mr. Charlton as the labor leader outlined the Labor policy in his campaign speeches. He denounced the Government's immigration policy on the ground that Australia had a large excess of labor and no vast empty places for new comers. Labor stood for a foreign policy developed in the light of day for a people determined to uphold their national rights and honest enough to admit that other nations had co-equal rights. The Labor Party would provide for motherhood endowment and would seek an alteration in the Constitution in order to bring about uniformity of working hours throughout Australia.

The General Election resulted in a striking victory for Mr. Bruce and Mr. Page. The Nationalists captured thirty-eight seats, the Country Party

returned fourteen members, and the Labor Party got twenty-three seats. The Bruce Government won all the contested seats in the Senate which was now composed of twenty-six Nationalists, one member of the Country Party, and nine Labor Senators. The Bruce-Page Government was more firmly entrenched than before, and it was destined to guide the fortunes of Australian legislation for four years.

During these four years the problem of arbitration for the settlement of industrial disputes became more serious. Since the Maritime Strike of 1890, the question of compulsory arbitration for trades disputes has been before the Australian people. It will be remembered that at the outset of the maritime Strike of 1890, Labor succeeded for a time in its purpose to "join every vessel in Australia to the waterside."(1) Communications and transports were almost paralysed. Foreign trade was suspended, the great cities were threatened with famine, and public opinion was roused. A strong popular sentiment was created against the use of the strike as a weapon of industrial warfare. Both Labor and Capital agreed that State intervention and State regulation must

(1) Fortnightly Review: April, 1912

be substituted for the destructive methods of the strike which inflict enormous loss and injury upon the whole econimic structure. The Labor Party demanded compulsory arbitration and conciliation under legal authority, and the Australian people acquiesced in the claims.

From this period on Labor tried to put the theory of compulsory arbitration and conciliation into practice. A series of acts of parliament, both state and federal, were passed intended to repress strikes and to cause labor disputes to be adjusted if possible by the awards of special legal tribunals. Arbitration Courts and Wages Boards were set up throughout the country. These made conspiracy against the whole industry of the nation impossible and provided at the same time some security that labor shall be able to obtain fair remuneration from capital without extorting it by forcible and ruinous expedients.

The Conciliation and Arbitration Bill of 1904 was adopted December 8, 1904 after it had wrecked three ministries.(1) This Bill gave the federal parliament the right to legislate for the prevention and settlement of industrial disputes extending beyond the limits of any one state. Accordingly a

(1) Turner: Page 73

federal court of arbitration was set up and any dispute which went beyond the boundary of one state could be, and often was, adjudicated by this court. The tendency was for the unions to make their disputes go beyond the state boundary for they prefer the federal tribunal to that of the state.

The Australian system of dealing with labor disputes and of the regulation of labor conditions is based on three principles or fundamentals:--(1)

1. The recognition of the fullest right of workmen to organize for their own protection, and the right of each union to make a collective bargain for the industry that it represents.

2. The recognition of the eight-hour day.

3. The recognition of the principle of the living wage in all industries--that is, the drawing of a line below which competition in the labor market is illegal, but above which ordinary economic forces come into play. The New South Wales Court of Industrial Arbitration defined the living wage as follows: "The living wage is standardized as the wage which still does neither more nor less than enable a worker of the class to which the lowest wage would be awarded to maintain

(1) Survey: June 7, 1919

himself, his wife, and two children--the average dependent family--in a house of three rooms and a kitchen, with food, plain and inexpensive, but quite sufficient in quantity and quality to maintain health and efficiency, and with allowance for the following other expenses, fuel, clothes, boots, furniture, utensils, taxes, life insurance, savings, accident or benefit society, loss of employment, union contributions, books and newspapers, train and tram fares, sewing machines, mangle, school requisites, amusements and holiday, intoxicating liquors, tobacco, sickness and death, domestic help, unusual contingencies, religion and charity."(1)

No matter what other changes it may make, Australia will surely continue to support these three principles of labor.

Disputes tried in these courts of arbitration are dealt with much the same as any civil case would be. The disputing parties become litigants, file claims and counter claims, and so on. Ultimately the decision is left to the judge whose decision becomes the standard for the industry.

(1) Carpenter: Pages 106-107

The movement today is away from arbitration by litigation to investigation by negotiation. Some of the states feel that these courts keep the employer and the employee apart, and that a vast amount of the work now done by these courts could be done by voluntary conciliation between the parties.

There is one big drawback to the Australian system of arbitration and that is the lack of a supreme authority over such matters. The state parliaments are so jealous of their rights that they will not surrender any of this power to the federal parliament. Mr. Bruce, the head of the Nationalist Party, is reported in the Sydney Morning Herald for June 5, 1929, as saying, "There is not the slightest doubt that industrial legislation and administration should be matters for Federal jurisdiction." But the state premiers and parliaments refuse to surrender full powers to the Commonwealth.

As a matter of fact the federal elections of October 12, 1929, turned on the arbitration issue above. Mr. Bruce had tried in vain to establish a better system. He then decided that since the government could not establish a better system and one which the country needed, the government would withdraw from industrial regulation. This was a shock to the nation for it had always been the understanding that the Commonwealth

would go on with the powers it had. The decision of the federal government brought the people face to face with the question "will you give us more powers, realizing that if you refuse we will no longer exercise the powers we have?"[1]

The labor party claimed that the government was trying to plunge the worker back into laissez faire. It urged further that many trade unions are organized on an interstate basis and therefore the Commonwealth should retain jurisdiction over their disputes.

At any rate the election returns were quite decisive. The Bruce-Page Government, a coalition of the Nationalists Party and the Country Party, was defeated. The seats were distributed as follows:[2] Labor forty-six, Nationalists fourteen, Country Party ten, Independents five.

Mr. Scullin as head of the labor party became Prime Minister with a labor administration.

The Cabinet was composed of:

James H. Scullin, Prime Minister and Minister for External Affairs and Industry

Edward G. Theodore, Treasurer

Frank Brennan, Attorney-General

(1) Round Table: December, 1929
(2) Round Table: December, 1929

James A. Lyons, Postmaster-General and Minister for Works and Railways

Arthur Blakely, Minister for Home Affairs

Albert E. Green, Minister for Defence

James E. Fenton, Minister for Trade and Customs

Parker J. Maloney, Minister for Markets and Transport

This problem of arbitration remains a source of much trouble. A particular example of the inefficacy of the Australian system of arbitration between the worker and the employer is to be found in the New South Wales coal dispute. With the coming of depression the coal operators sought to reduce the wages of the workers so that the selling price would be reduced. The operators refused to open the mines unless the miners accepted the wage reduction. Naturally the men refused to accept the reduction, claiming that it would not be necessary if the owners of the industry had properly organized it.

The courts have decreed in favor of the owners, but the opinion of the miners may be crystallized in this statement: The decisions of the Federal Courts are not sacrosanct if they violate the principles of eternal justice. To their way of thinking a reduction of wages is not fair and that they should not be the

ones to suffer by being ordered to accept the reduction. So for months the strikers have resisted and have been supported by the subscriptions of other unions--an example of loyalty and solidarity of action. They have even threatened a general strike but this has not occurred because the miners and their leaders realize that a general strike would probably be fatal to themselves.

The arbitration courts of New South Wales have decided that the strike is a state affair and that the Commonwealth Arbitration Court has no jurisdiction over it. According to the constitution of the Commonwealth the Federal Court has no jurisdiction over purely state matters. The Federal Ministry therefore is helpless. It refuses to go over the heads of the New South Wales Ministry. On the other hand the state government took over a few collieries and opened them. The main effect of this action was to cause the Labor Party of New South Wales to bitterly attack the Federal Ministry for its inaction. Thus we have the Federal Labor Government of Australia having its duty to the Constitution which it has sworn to uphold on the one hand, and on the other, the party pledge to uphold the rights of the working man. This appears to be the state of affairs at the time of

writing.

The Scullin Government introduced a new Arbitration Bill by which the High Court of Australia, that is the Federal Supreme Court, would judge the constitutionality of any question. It would make the federal courts supreme over the state courts. However, the opposition to this bill was so strong that the Labor Party dropped it for the time being.

It is well to remember that Labor is on the defensive in the present world depression and will not readily accept a reduction in wages or less favorable working conditions. Any statement that the costs of production should be reduced is regarded by Labor as an attack upon wages and working conditions. The reduction of the costs of production will be brought about only under the pressure of economic forces. Labor flatly refuses to be the first to suffer by the lowering of the costs of production. Labor will accept the reduction in wages only when dire economic needs force the wage earner to accept them.

Mr. Scullin accepted the reins of government at a time when Australia was in a critical condition financially. For a number of years Australia has been borrowing money abroad for public works. It amounted

to about £30,000,000 per annum.[1] However, productivity was not increased sufficiently to enable the government to meet the increasing interest charges without lowering the standard of living. This failure to meet interest charges coupled with the shortage of funds abroad available for investment in Australia reduced her overseas borrowing powers. Australia had to go through a period of readjustment in which she had to adopt herself to the cessation of foreign loans.

The Australian people had thought that the period of prosperity following the World War was to be permanent. The Commonwealth and State Governments financed the erection of public buildings and the like from loan moneys. The budget was determined not on revenue but on the amount of loans they could borrow. The governments were satisfied if they could collect enough revenue to pay the interest on these loans, believing, as they did, in the future of Australia and having unbounded optimism in her ability to requite all her debts satisfactorily.

Economically then Australia weakened herself. When the world-wide business depression of 1929 occurred Australia was severely hit. Wool, her main product, fell in price forty-five per cent be-

(1) Round Table: December 1930

tween 1926 and 1930.[1] Wheat dropped from six shillings a bushel to three shillings. Metal prices likewise collapsed. Foreign banking centers, particularly London, eyed the Australian market with suspicion. These bankers felt that Australia could not pay her old debts, let alone the interest on new loans, so they stopped loans to Australia.

This reduction of loans from abroad combined with the reduction of federal revenue placed the government in a serious predicament. The shortage of funds had to be made up by increased taxation. Economies in government works are out of the question. Reductions of wages, salaries, or pensions are not considered by the Labor Government. As a result of the reduction of loans and income the deficit of this year's federal budget will be, it is estimated, between £5,000,000 and £9,000,000. The Labor Cabinet is trying to devise a scheme to meet the situation.

Some Laborites are urging a policy of inflation as a way out of the difficulty. This extremist section of the Labor Party argue in this wise: What Australia needs is more spending power. The orthodox and arduous way of getting it is to produce more and

(1) Round Table: December 1930

lower one's cost of production, so as to be able to sell more. But the extremists, under Mr. Anstey's leadership, wish to print more notes, or as he put it, "to release more credit."[1] However the responsible leaders of the party do not support such a doctrine.

At a conference of State Treasurers and Premiers it was decided that their budgets must balance; that no further overseas loans would be made until the overseas indebtedness has been settled; that loans raised internally shall be restricted to works which yield sufficient revenue to cover the interest and the sinking fund on the debt; and that a heavy reduction be made in both ordinary and loan expenditure involving substantial sacrifices on the part of all sections of the country. The Federal Labor Government is having trouble getting this doctrine accepted by the party.

The Scullin Government proposed measures that would give the Commonwealth Parliament increased powers with regard to industrial matters, trade and customs, and the alteration of the constitution. These measures were not received so favorably. The Australian democracy is notoriously conservative in

(1) Round Table: March 1931

constitutional matters, and amendments have little chance of adoption unless supported by both the government party and the opposition. So far they have been unable to agree.

Another serious problem the Labor Government has to face is the opposition directed against it by the Senate. The Ministry has only seven of the thirty-six seats in the Senate and as a result has been severely checked in its measure by its lack of control in this chamber. The Senate stands for a national policy fundamentally different from the policy of the Government and has amended and rejected many bills from the other house. Attempts on the part of parliament so that the Labor Party may be more fairly represented in the Senate have been frustrated by the opposition. Thus matters stand at the present.

The answer to the question as to whether the labor movement in Australia will become communistic or not, may be found in the words of Mr. Theodore.(1) "It is unlikely that communism will ever secure an audience that counts in Australia. Cummunism is exo-

(1) Edward Granville Theodore was premier of the Queensland Labor Government for five years and is the Treasurer in the present Labor Cabinet of the Federal Government.

tic and the Australian Labor Party is indigenous. Hating most things that are familiar and loving only that which it does not know, communism preaches against "White Australia", which is the Australian religion. That, and his habit of preaching strikes and direct action while using all that independent arbitration has given the Australian worker, secures for the Communist only the crude minority to whom even rudimentary political thought is impossible. Australians will have only the Australian way--the reasoned and gradual progress to the objective as the only progress that can be permanent, the education of our political opponents to the wisdom of preventing the exploitation of one citizen by another, and of giving all citizens a fair deal, the security of every man's honestly acquired possessions; the care that toil shall not be but half requited; the holdings of the balance truly between effort and result; and the constant movement toward the betterment of the citizen by removing the fear of poverty from all men; until at last we shall banish poverty by eliminating waste from a world that produces more than enough for all."(1)

(1) Current History Magazine: June 1925

We may accept this statement as being the attitude of the Australian Labor Party towards the ideals of Communism.

To paraphrase Abraham Lincoln's Gettysburg Address, the Labor Movement of Australia seeks "government of the people, by the worker, for the workers." I do not like to prophesy for the future of the Australian Labor Movement is in the lap of the gods, but I feel safe in saying that the events of the next few months will settle the future of this movement. Will the Australian laborer gracefully submit to a reduction of wages or will he fight such an economic change to the bitter end? Will such a man be willing to accept this reduction of his standard of living for the benefit of Australia? Is he first an Australian and after that a member of the Labor Party?

I am confident that the real Labor Party is first and foremost Australian in spirit, and whatever it does will be done with the good of the Australian nation at heart.

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